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LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/28/09

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

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June 30, 2008

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Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Association on Compulsive Gambling
of Northwest Louisiana, Inc.
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Louisiana Association on Compulsive Gambling (a non-profit organization) as of and for the year ended June 30, 2008. These financial statements are the responsibility of Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association on Compulsive Gambling as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 19, 2008 on my consideration of Louisiana Association on Compulsive Gambling's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of state contracts listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. That schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Certified Public Accountant
December 19, 2008

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LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Financial Position

June 30, 2008

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 167,089
Grants and Contracts Receivable	<u>76,794</u>
Total Current Assets	243,883

PROPERTY AND EQUIPMENT (NET)

549,524

Total Assets

\$ 793,407

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 51,926
Compensated Absences Payable	16,529
Notes Payable - Current Maturities	<u>13,862</u>
Total Current Liabilities	82,317

LONG-TERM LIABILITIES

Notes Payable - net of Current Portion	<u>221,071</u>
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Total Liabilities

303,388

Net Assets:

Unrestricted	490,019
Temporarily Restricted	<u>-</u>

Total Net Assets

490,019

Total Liabilities and Net Assets

\$ 793,407

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Activities

For the Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 153,368	\$ -	\$ -	\$ 153,368
Total Support	<u>153,368</u>	<u>-</u>	<u>-</u>	<u>153,368</u>
Revenues:				
Client Fees	107,640	-	-	107,640
Program Service Fees	1,270,801	-	-	1,270,801
Miscellaneous	<u>3,917</u>	<u>-</u>	<u>-</u>	<u>3,917</u>
Total Revenues	<u>1,382,358</u>	<u>-</u>	<u>-</u>	<u>1,382,358</u>
Total Support and Revenue	<u>1,535,726</u>	<u>-</u>	<u>-</u>	<u>1,535,726</u>
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,535,726</u>	<u>-</u>	<u>-</u>	<u>1,535,726</u>
EXPENSES				
Program Expenses	1,350,463	-	-	1,350,463
Management and General	<u>219,743</u>	<u>-</u>	<u>-</u>	<u>219,743</u>
Total Expenses	<u>1,570,206</u>	<u>-</u>	<u>-</u>	<u>1,570,206</u>
Change in Net Assets	(34,480)	-	-	(34,480)
Net assets, beginning of year	<u>524,499</u>	<u>-</u>	<u>-</u>	<u>524,499</u>
Net assets, end of year	<u>\$ 490,019</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 490,019</u>

The accompanying notes are an integral part of this statement.

Louisiana Association on Compulsive Gambling

Statement of Functional Expenses

Year Ended June 30, 2008

	CORE	Help Line Center	Intensive Outpatient Program	Suicide Line	Management and General	Total
Salaries	\$ 290,053	\$ 331,889	\$ 104,988	\$ 64,578	\$ 127,568	\$ 919,076
Payroll Taxes	23,483	28,682	4,168	5,210	8,503	70,046
Professional Fees	50,665	38,206	13,593	6,587	18,921	127,972
Food and Beverage	48,712	-	-	-	-	48,712
Equipment Rental	4,002	383	335	20	-	4,740
Utilities and Telephone	29,361	40,517	5,703	4,144	4,208	83,933
Rent	-	16,082	3,690	2,460	2,460	24,692
Supplies	5,268	-	-	-	-	5,268
Insurance	37,711	31,721	7,597	8,367	9,517	94,913
Repair and Maintenance	12,740	1,799	304	12	301	15,156
Auto	540	6,954	177	1,711	14,136	23,518
Office Supplies	7,106	9,388	3,951	509	3,945	24,899
Travel	4,161	6,954	-	182	7,183	18,480
Printing and Literature	1,536	3,596	-	1,882	5,645	12,659
Dues and Subscriptions	907	549	-	15	5,485	6,956
Postage and Shipping	1,532	2,763	362	89	865	5,611
Miscellaneous	10,651	2,370	798	555	8,570	22,944
Depreciation	24,245	7,868	2,833	783	1,178	36,907
Interest	14,721	113	113	113	-	15,060
Advertising and Promotion	-	7,360	-	46	1,258	8,664
Total Expenditures	<u>\$ 567,394</u>	<u>\$ 537,194</u>	<u>\$ 148,612</u>	<u>\$ 97,263</u>	<u>\$ 219,743</u>	<u>\$ 1,570,206</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Cash Flows

For the Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (34,480)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	36,907
Changes in assets and liabilities:	
Decrease in grants and contracts receivable	69,963
Decrease in prepaid expenses	2,050
Increase in accounts and accrued expenses	10,330
Increase in compensated absences	<u>3,747</u>
Net cash provided by operating activities	<u>88,517</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Purchase of fixed assets	<u>(10,324)</u>
Net cash provided by investing activities	<u>(10,324)</u>

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

Proceeds from borrowings	-
Principal payments on debt	<u>(13,231)</u>
Net cash used by financing activities	<u>(13,231)</u>

Net increase in cash	64,962
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>102,127</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 167,089</u></u>
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Supplemental disclosures of cash flow information:

Cash paid during the year for interest expense	<u><u>\$ 15,060</u></u>
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The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Louisiana Association on Compulsive Gambling is a nonprofit organization exempt for Federal income tax purposes under Section 501(C)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

The purpose of the Association is to continue heightening public awareness that compulsive gambling is a preventable and treatable disease, through a combined strategy of educational, public policy changes and the efforts of individuals, families and all elements of the community working in concert.

C. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Support and Revenue:

The Association receives its program service fees primarily from the State of Louisiana Department of Health and Hospitals and other State Agencies. Support and revenue received from those grants and contracts is recognized on a "net funded" basis whereby State of Louisiana Department of Health and Hospitals, Office for Addictive Disorders funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees and food stamp income in determining grant funds to be recognized.

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from twenty five years for leasehold improvements and five to seven years for furniture and equipment.

(Continued)

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

G. Contributions and Memberships:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Memberships are essentially honorary, as no goods or services are provided to the members in exchange for their membership dues.

H. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Functional Allocation of Expenses:

The costs of providing the Association's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

2. Grants and Contracts Receivable:

Grants and contracts receivable at June 30, 2008 are as follows:

Department of Health and Hospitals	\$ 54,596
Other Receivables	<u>22,198</u>
Total	<u>\$ 76,794</u>

All grants and contracts receivable at June 30, 2008 are fully collectible.

(Continued)

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2008

3. Property and Equipment:

Property and Equipment consists of the following:

Building and Land	\$	375,000
Leasehold Improvements		209,795
Furniture and Fixtures		65,238
Equipment		<u>151,570</u>
		801,603
Less Accumulated Depreciation	(<u>252,079</u>)
Property and Equipment - Net	\$	<u><u>549,524</u></u>

4. Rental Expense:

The Association leased the facilities that houses its treatment center, help line, intensive outpatient program and its administrative offices during the year on a month to month basis. Rental expense paid for the year under these leases totaled \$24,600 for the year ended June 30, 2008. Future lease commitments are as follows: 2009 - \$ 24,600; 2010 - \$8,200.

5. Notes Payable:

Notes payable at June 30, 2008 consisted of the following:

Note payable to Capital One, interest at 5.950%, dated April 22, 2005, due on demand; if no demand is made, the note is due in 180 monthly installments of \$2,320 collateralized by building and land at 635 Stoner Street	\$	234,933
Less: current maturities	(<u>13,862</u>)
Notes payable - long term	\$	<u><u>221,071</u></u>

Maturities of long-term debt including interest of \$92,488 are as follows:

Years ended June 30:

2009	\$	27,828
2010		27,828
2011		27,828
2012		27,828
2013		27,828
2014 and thereafter		<u>174,419</u>
Total	\$	<u><u>313,559</u></u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2008

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Property and Equipment consists of the following:

Building and Land	\$	375,000
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		801,603
Less Accumulated Depreciation	(<u>252,079</u>)
Property and Equipment - Net	\$	<u><u>549,524</u></u>

4. Rental Expense:

The Association leased the facilities that houses its treatment center, help line, intensive outpatient program and its administrative offices during the year on a month to month basis. Rental expense paid for the year under these leases totaled \$24,692 for the year ended June 30, 2008. Future lease commitments are as follows: 2008 - \$8,200.

5. Notes Payable:

Notes payable at June 30, 2008 consisted of the following:

Note payable to Capital One, interest at 5.950%, dated April 22, 2005, due on demand; if no demand is made, the note is due in 180 monthly installments of \$2,320 collateralized by building and land at 635 Stoner Street	\$	234,933
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Total	\$	<u><u>313,559</u></u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of State Contracts

For the Year Ended June 30, 2008

<u>PROGRAM TITLE</u>	<u>CONTRACT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through the Louisiana Department Of Health & Hospitals:				
Core Treatment Center	050099	\$ 459,900	\$ 385,637	\$ 385,637
Help Line	050100	428,700	363,300	363,300.00
Intensive Outpatient Treatment	050098	150,000	124,678	124,678.00
Video Poker Addiction Training	051100	8,500	8,500	8,500.00
Suicide Hotline	047095	94,350	94,350	94,350.00
Gambling Outpatient	047462	<u>74,760</u>	<u>43,185</u>	<u>43,185.00</u>
Total - All State Contracts		<u>\$ 1,216,210</u>	<u>\$ 1,019,650</u>	<u>\$ 1,019,650</u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2008

There were no findings for the year ended June 30, 2007.



Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Louisiana Association on Compulsive Gambling
Shreveport, Louisiana

I have audited the financial statements of Louisiana Association on Compulsive Gambling as of and for the year ended June 30, 2008, and have issued my report thereon dated December 19, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Association on Compulsive Gambling's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association's internal control.

My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Association on Compulsive Gambling's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, reading "Marsha D. Melican". The signature is written in a cursive style with a small dot above the 'i' in Melican.

Certified Public Accountant
December 19, 2008

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of Findings

For the Year Ended June 30, 2008

There were no findings for the year ended June 30, 2008.